

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Application of SBC Communications, Inc.,)	
Pursuant to Section 271 of the)	CC Docket No. 01-194
Telecommunications Act of 1996 to Provide)	
In-Region, InterLATA Services in Arkansas)	
And Missouri)	

COMMENTS OF THE ALLIANCE FOR PUBLIC TECHNOLOGY

The Alliance for Public Technology has consistently urged the Federal Communications Commission (FCC) to pursue the goal of Section 706 of the Telecommunications Act of 1996¹ in every relevant proceeding by encouraging the reasonable and timely deployment of advanced telecommunications capability to all Americans.² Section 706 authorizes the FCC and state telecommunications commissions to use "measures that promote competition in the local telecommunications market or other regulating methods to remove barriers to infrastructure investment," among other means, to achieve the goal of ubiquitous broadband deployment mandated by the Act.

The Alliance for Public Technology (APT) is a nonprofit organization of more than 300 public interest groups and individuals. APT's members work together to foster broad access to affordable, usable information and communications services and technology for the purpose of bringing better and more affordable health care to all citizens, expanding educational

¹ 47 USC 157 note.

² See, e.g., Petition of the Alliance for Public Technology Requesting Issuance of Notice of Inquiry and Notice of Proposed Rulemaking to Implement section 706 of the 1996 Telecommunications Act, CC Docket No. 9244 (Feb. 18, 1998) (APT Petition) at 12-13.

opportunities for lifelong learning, enabling people with disabilities to function in ways they otherwise could not, creating opportunities for jobs and economic advancement, making government more responsive to all citizens and simplifying access to communications technology. To this end, it is APT's goal to:

make available as far as possible, to all people of the United States, regardless of race, color, national origin, income, residence in rural or urban area, or disability high capacity two-way communications networks capable of enabling users to originate and receive affordable and accessible high quality voice, data, graphics, video and other types of telecommunications services.³

The Alliance is not in a position to judge the compliance of any one company with respect to the 14-point checklist of requirements under Section 271. We do note, however, that both the Arkansas and Missouri Public Service Commissions have approved SBC's application and concluded that SBC is in compliance with the checklist items in Section 271. According to the Arkansas PSC, SBC has agreements with 77 CLEC's in Arkansas and serve 77,109 customer access lines.⁴ In Missouri, the PSC found that CLEC's serve approximately 12% of access lines in SBC territory and that "SWBT's [SBC] entry into long distance will increase consumer choice and reduce long distance prices, particularly for residential customers. . .SWBT's entry in the interLATA market is likely to spur competition in the local exchange market as well. Once SWBT is able to offer bundled packages of local and long distance service, all potential entrants will have to compete even more intensely for local business in Missouri."⁵

³ Alliance For Public Technology, *Principles to Implement the Goal of Advanced Service* at 3 (1995).

⁴ Arkansas Public Service Commission Report, Docket No. 0-211-U, at 4.

⁵ Missouri Public Service Commission Report, Case No. TO-99-227

Further, SBC's performance assurance plan, which is nearly identical to the one operating in Texas, protects against backsliding by putting up to \$98 million in Missouri and up to \$43 million in Arkansas in penalties at risk annually for noncompliance.

More importantly, SBC has demonstrated a commitment to increased investment in advanced telecommunications capabilities in those states where it has received 271 authorization. According to SBC, last year in Texas the company invested more than \$1 billion to upgrade its central offices, expand Advanced Intelligent Network capacity, and install 2,600 miles of fiber-optic cable.⁶ In Kansas and Oklahoma, SBC last year invested over \$230 million and \$135 million, respectively, to upgrade its networks and central offices, and lay new fiber-optic cable. This includes 300 miles of new fiber-optics in each state.⁷ Authorization to provide in-region long distance service in Arkansas and Missouri will facilitate SBC capacity to build on economies of scale and scope in order to provide a high standard of service and accelerated deployment advanced technologies to the consumers of Arkansas and Missouri.

In APT's view, Section 271's interLATA prohibitions constrain the widespread deployment of advanced telecommunications infrastructure and therefore undermine Section 706, which seeks to promote investment in ubiquitous high-speed networks. APT maintains the belief that expeditious approval under Section 271 serves the public interest. Such action would

⁶ SWBT Press Release, Southwestern Bell Invests \$1 Billion in Network Enhancements, High Tech Product Offerings to Ensure State-of-the-Art Communications for Texans in 2001 (Feb. 8, 2001), at <http://www.swbell.com/About/NewsCenter/ShowRelease/0,1018,20010208-01,00.html?NID=>.

⁷ SWBT Press Release, Southwestern Bell Invests Millions in Network Enhancements, High Tech Product Offerings to Ensure State-of-the-Art Communications for Kansans in 2001 (Mar. 2, 2001), at <http://www.swbell.com/About/NewsCenter/ShowRelease/0,1018,20010302-01,00.html?NID=>; SWBT Press Release, Southwestern Bell Invests Millions in Network Enhancements, High Tech Product Offerings to Ensure State-of-the-Art Communications for Oklahomans in 2001 (Feb. 20, 2001), at <http://www.swbell.com/About/NewsCenter/ShowRelease/0,1018,20010220-01,00.html?NID=>.

advance the goals of Section 706, and reaffirm the Commission's commitment to eliminating regulatory barriers to investment in high-capacity networks.⁸

The Commission again has the opportunity to bolster Section 706's impact by authorizing SBC to provide long distance telephone service in Arkansas and Missouri. APT strongly urges the Commission to seize this opportunity to increase facilities-based competition for local and long distance service, and promote ubiquitous broadband network deployment so that all Arkansas and Missouri residents, regardless of their income level, location of residence, or physical disabilities, may improve the quality of their lives through access to new sophisticated telecommunications.

APT has every reason to believe that Arkansas and Missouri customers, particularly low volume users, will reap the same gains from lower prices and bundled services that Texas, Kansas and Oklahoma residents are experiencing with SBC's entry into those long distance markets. SBC began marketing long-distance service in Texas on July 10, 2000 and in Kansas and Oklahoma on March 7, 2001. In anticipation of and in response to SBC's entry into the Texas, Kansas and Oklahoma long-distance markets, incumbent long-distance carriers AT&T, WorldCom, and Sprint began to offer discounts on their regular long-distance plans to customers who also signed up for local service. These discounts are in the form of bundled long-distance monthly fees with local service charges and credits for signing up for a local/long-distance bundle.⁹ AT&T also offered "thank you" messages and thirty minutes of free long distance

⁸ Comments of the Alliance for Public Technology Supporting Bell Atlantic's Request for Authority to Provide Long Distance Service in New York, In the Matter of Application by New York Telephone Company (d/b/a Bell Atlantic-New York) Bell Atlantic Communications, Inc., NYNEX Long Distance Company and Bell Atlantic Global Networks, Inc., for Authorization to Provide In-Region , InterLATA Services in New York, CC Docket No. 99-295 (Oct. 19, 1999))(APT NY Comments) at 2.

⁹ AT&T bundles residential local and long-distance service with a plan called "AT&T Local One Rate Texas." See <http://www.att.com/local_service/tx/html/index.html> (visited Oct. 9, 2000); see also J.G. Smith/Johnson Joint Aff. ¶ 43 (AT&T offers this local one rate only in Texas and New York, the two "states in which the incumbent Bell

service to its customers in Kansas and Oklahoma in an effort to keep them from switching to new services.¹⁰

As SBC deploys its broadband networks, APT encourages the Commission to do all that it can to remove the barriers that inhibit the widest possible extension of these networks. Universal deployment will help all consumers, in Arkansas, Missouri and throughout the United States, to enjoy the benefits of advanced telecommunications capability.

APT respectfully recommends that the Commission authorize SBC to provide long distance service in Arkansas and Missouri.

Respectfully requested,

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September 10, 2001

Operating Company has been given access to AT&T's long distance marketplace"). New York was the first state, followed by Texas, where MCI WorldCom started offering its bundled local and long-distance service referred to as "One Company Advantage." See David DeKok, Competitor Calls on Verizon's Mid-State Clients, Harrisburg Patriot-News, Sept. 14, 2000; Bill Sulon, Telephone Companies Prepare for Battle, Harrisburg Patriot-News, Aug. 27, 2000; see J.G. Smith/Johnson Joint Aff. ¶ 46. And Sprint currently bundles residential local and long-distance service for Texans in five different configurations. See Sprint Local Service – Texas, available at <<https://clec.sprint.com/servlet?CLEC?PAGE+TOCOMPARE&MKT=0003?>> (visited Oct. 9, 2000); see J.G. Smith/Johnson Joint Aff. ¶ 45.

¹⁰ AT&T Press Releases "AT&T Long Distance Customers in Oklahoma Get the Message: Thanks for Your Loyalty" and "AT&T Long Distance Customers in Kansas Get the Message: Thanks for Your Loyalty" March 5, 2001. <http://www.att.com/press/item/0,1354,3702,00.html> and <http://www.att.com/press/item/0,1354,3701,00.html>